

Financial Goal Securities, Inc.
Report Pursuant to SEC Rule 17a-5 (d)
Financial Statements
For the Year Ended December 31, 2019

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL	
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8-37151

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2019 AND ENDING 12/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Financial Goal Securities, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

35-900 Bob Hope Drive, Suite 202

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

Rancho Mirage

CA

92270

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Bryan S. Kocan

760-324-4015

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Alvarez & Associates, Inc.

(Name - if individual, state last, first, middle name)

9221 Corbin Avenue, Suite 165 Northridge

CA

91324

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Bryan S. Kocen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Financial Goal Securities, Inc., as of December 31, 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Bryan S. Kocen
Signature

President

Title

Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Riverside

Subscribed and sworn to (or affirmed) before me on this 14 day of January.

2020 by

Bryan S. Kocen proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public [Signature]





ALVAREZ & ASSOCIATES, INC

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Director and Stockholder of Financial Goal Securities, Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Financial Goal Securities, Inc. (the "Company") as of December 31, 2019, the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The information contained in Schedules I and II ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company's management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming our opinion on the Supplemental Information, we evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2018.
Northridge, California
January 20, 2020

FINANCIAL GOAL SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2019

ASSETS

Cash in bank	\$ 20,661
Concessions receivable	4,500
Advances to stockholder	119,493
Prepaid fidelity bond	988
Deposit - CRD	<u>11</u>
Total assets	\$ <u>145,653</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:		
Accounts payable		\$ 985
Income taxes payable		<u>10,351</u>
Total liabilities		11,336
Guarantees		-
Stockholder's equity:		
Common stock, no par value per share; authorized 100,000 shares; issued and outstanding 10,000 shares	\$ 10,000	
Additional paid-in capital	22,833	
Retained earnings	<u>101,484</u>	
Total stockholder's equity		<u>134,317</u>
Total liabilities and stockholder's equity		\$ <u>145,653</u>

The accompanying notes are an integral part of these financial statements.

FINANCIAL GOAL SECURITIES, INC.
STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2019

Revenues:		
Concessions - DPP		\$ 339,595
Due diligence fees		65,667
Interest		<u>2,478</u>
Total revenues		407,740
Operating expenses:		
Salaries and commissions	\$ 289,558	
Professional fees	21,866	
Payroll taxes	11,076	
Regulatory assessments	10,396	
SIPC assessments	743	
Overhead reimbursement	46,800	
Other	<u>1,943</u>	
Total expenses		<u>382,382</u>
Income before income taxes		25,358
Income taxes		<u>11,155</u>
Net Income		\$ <u>14,203</u>

The accompanying notes are an integral part of these financial statements.

FINANCIAL GOAL SECURITIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2019

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at beginning of year	\$ 10,000	\$ 22,833	\$ 87,281	\$ 120,114
Net income for the year ended December 31, 2019	<u>-</u>	<u>-</u>	<u>14,203</u>	<u>14,203</u>
Balance at end of year	\$ <u>10,000</u>	\$ <u>22,833</u>	\$ <u>101,484</u>	\$ <u>134,317</u>

The accompanying notes are an integral part of this financial statement.

FINANCIAL GOAL SECURITIES, INC.
STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH
YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities:		
Net income		\$ 14,203
Adjustments to reconcile net income to		
net cash provided by operating activities:		
Decrease in concessions receivable	\$ 14,750	
Increase in prepaids and deposit	(516)	
Increase in advances to stockholder	(38,243)	
Increase in accounts payable	337	
Decrease in income taxes payable	<u>(6,499)</u>	
Total adjustments		<u>(30,171)</u>
Net cash flows provided/(used) by operating activities		(15,968)
Cash flows from investing activities		-
Cash flows from financing activities		<u>-</u>
Net decrease in cash		(15,968)
Cash at beginning of year		<u>36,629</u>
Cash at end of year		\$ <u><u>20,661</u></u>

SUPPLEMENTAL CASH INFORMATION

Cash payments for:	
Income taxes	\$ <u>17,850</u>
Interest expense	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

FINANCIAL GOAL SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is a registered broker-dealer incorporated under the laws of the State of California maintaining its main office in Rancho Mirage, California, with a branch office in San Diego, California. The Company is a member of FINRA and the SIPC. The Company is subject to a minimum net capital requirement of \$5,000 pursuant to SEC Rule 15c3-1. The Company operates pursuant to the (k)(2)(i) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities. Therefore, the Company is exempt from the computation for the determination of reserve requirements pursuant to SEC Rule 15c3-3 as well as the disclosure of information relating to possession and control requirements pursuant to SEC Rule 15c3-3.

Method of Accounting

The Company maintains its books and records on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates and such differences could be material.

Revenue Recognition

The Company earns Concessions fees and Due diligence fees from its private placements. Concessions fees and Due diligence fees are recognized according to the terms of the customer agreement, at the closing date of the private placement transaction, which includes the customer's full payment.

The Company earns ongoing minor Concessions fees and Due diligence fees throughout the private placement investment period. These are recognized in the period received, due to material uncertainties beforehand which represent a variable consideration constraint.

SIPC

The SIPC assessment has been determined fairly in accordance with applicable instructions and was remitted timely.

FINANCIAL GOAL SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2019

(2) PROVISION FOR INCOME TAXES

The provision for income taxes consists of the following:

	<u>Federal</u>	<u>California</u>	<u>Total</u>
Current	\$ 7,537	\$ 3,618	\$ 11,155
Deferred	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>7,537</u>	\$ <u>3,618</u>	\$ <u>11,155</u>

Deferred taxes are accounted for according to current standards which use an asset and liability approach in recognizing timing differences. This approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of such timing differences. Timing differences include the use of the cash basis for tax purposes and accrual basis for accounting purposes and the recognition of net operating loss carry-forwards. There were no material deferred tax items as of December 31, 2019. The Company's Federal and California tax returns are subject to examination for three and four years, respectively, subsequent to their being filed.

(3) RELATED PARTY TRANSACTIONS

The Company had entered into an expense-sharing agreement with a related corporation, whereby the Company secures necessary office space, support staff, equipment, telephone and utilities from the affiliated corporation for a monthly payment of \$3,650 through June 30, 2020. A new agreement may be renewed annually.

The Company also pays commissions to two independent contractors, for services performed, one of whom is a parent of the shareholder of the Corporation. Amounts included in expenses in the current year applicable to the related party amounted to \$0.

Advances to stockholder totaled \$119,493 at December 31, 2019; and the weighted average balance \$144,231 for the year then ended based upon the month-end balances. The Company received interest income of \$2,478 on these advances for the year ended December 31, 2019. Repayment terms are not scheduled in writing.

(4) GUARANTEES

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others. The Company has issued no guarantees at December 31, 2019 or during the year then ended.

FINANCIAL GOAL SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2019

(5) SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions occurring after year-end through the date that the financial statements were available for issuance. No transactions or events were found that were material enough to require recognition in the financial statements.

(6) RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

For the year ending December 31, 2019, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

Effective January 1, 2019, the Company adopted the new FASB accounting standard ASC 842, *Leases*, which governs the accounting and reporting of leases by lessees. Lessor accounting and reporting is largely unchanged. ASC 842 generally applies to leases that have a lease term greater than 12 months at lease commencement, or that include an option to purchase the underlying asset the Company is reasonably certain to exercise. ASC 842's principal changes are: 1) recognizing leases on the Statement of Financial Condition by recording a Right-of-use asset and a Lease liability; 2) changes in lease expense recognition during the lease term based on its classification as an Operating lease or Finance lease; and 3) expanded disclosures of lease agreements, costs and other matters.

The Company shares its office space with an affiliate under the terms of an annual expense sharing agreement. This agreement is not subject to ASC 842 under the short-term exemption. As a result, the adoption of ASC 842 had no effect on the Company's financial statements for the year ended December 31, 2019.

(7) NET CAPITAL

The Company is subject to a \$5,000 minimum capital requirement pursuant to SEC Rule 15c3-1, which requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. Net capital and the related net capital ratio fluctuate on a daily basis; however, as of December 31, 2019, the net capital was \$9,692 which exceeded the required minimum capital by \$4,662. The aggregate indebtedness to net capital ratio was 1.17 to 1.

FINANCIAL GOAL SECURITIES, INC.
Schedule I - Computation of Net Capital Requirements
Pursuant to SEC Rule 15c3-1

DECEMBER 31, 2019

Computation of net capital

Common stock	\$ 10,000	
Additional paid-in capital	22,833	
Retained earnings	<u>101,484</u>	
Total stockholder's equity		\$134,317
Less: Non-allowable assets		
Prepaid expense	(988)	
Advances to stockholder	(119,493)	
Deposits	(11)	
Receivables, non-allowable portion	<u>(4,163)</u>	
Total non-allowable assets		<u>(124,655)</u>
Net Capital		9,662

Computation of net capital requirements

Minimum net capital requirement		
6 2/3 percent of net aggregate indebtedness	\$ 756	
Minimum dollar net capital required	<u>5,000</u>	
Net capital required (greater of above)		<u>(5,000)</u>
Excess net capital		<u>\$ 4,662</u>
Aggregate indebtedness		<u>\$11,366</u>

Ratio of aggregate indebtedness to net capital 1.17 : 1

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 Part IIA report dated December 31, 2019.

<p>See Report of independent registered public accounting firm</p>
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FINANCIAL GOAL SECURITIES, INC.
Schedule II - Computation for Determination of the Reserve Requirements and Information
Relating to Possession or Control Requirements for Brokers and Dealers Pursuant to SEC
Rule 15c3-3
As of December 31, 2019

The Company is exempt from the provision of SEC Rule 15c3-3 under paragraph (k)(2)(i) in that the Company carries no accounts, does not hold funds or securities for, or owe money or securities to customers. Accordingly, there are no items to report under the requirements of this Rule.

See Report of independent registered public accounting firm
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**Financial Goal Securities, Inc.
Report on Exemption Provisions
Pursuant to 17 C.F.R. § 15c3-3(k)
For the Year Ended December 31, 2019**



ALVAREZ & ASSOCIATES, INC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Director and Stockholder of Financial Goal Securities, Inc.:

We have reviewed management's statements, included in the accompanying Assertions Regarding Exemption Provisions, in which (1) Financial Goal Securities, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Financial Goal Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) Financial Goal Securities, Inc. stated that Financial Goal Securities, Inc. met the identified exemption provisions throughout the year ended December 31, 2019 without exception. Financial Goal Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Financial Goal Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Alvarez & Associates, Inc.

Alvarez & Associates, Inc.

Northridge, California
January 20, 2020



Financial Goal Securities, Inc.

Bryan S. Kocen

President

Registered Principal

Assertions Regarding Exemption Provisions

We, as members of management of *Financial Goal Securities, Inc.* ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

Identified Exemption Provision:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(i).

Statement Regarding Meeting Exemption Provision:

The Company met the identified exemption provision without exception for the year ended December 31, 2019.

Financial Goal Securities, Inc.

By:

Bryan S. Kocen, President



Enhancing the diversification of your investment portfolio

35-900 Bob Hope Drive, Suite 202, Rancho Mirage, CA 92270

Phone (760) 324-4015 • Fax (760) 324-4301 • bryan@kfginc.com